

**Managed Risk Medical Insurance Board
October 25, 2006**

Board Members Present: Cliff Allenby, Areta Crowell, Ph.D., Virginia
Gotlieb, M.P.H., Sophia Chang, M.D., M.P.H.,
Richard Figueroa, M.B.A

Ex Officio Members Present: Warren Barnes (for Ed Heidig), Jack Campana

Staff Present: Lesley Cummings, Laura Rosenthal, Vallita Lewis,
Janette Lopez, Dennis Gilliam, Mary Anne
Terranova, Ernesto Sanchez, Sarah Soto-Taylor,
Larry Lucero, Thien Lam, Willie Sanchez,
Adrienne Thacker, Jamie Yang, Melissa Ng

Chairman Allenby called the meeting to order and recessed it for executive session. At the conclusion of executive session, the meeting was reconvened.

REVIEW AND APPROVAL OF MINUTES OF September 20, 2006 MEETING

A motion was made and unanimously passed to approve the minutes of the September 20, 2006, meeting.

STATE LEGISLATION

State Legislative Summary

Mary Anne Terranova provided an update of relevant outcomes to the 2005-2006 cycle and bills that have been tracked throughout the year. There were no questions from the Board.

SB 437 (Escutia)

Janette Lopez discussed the aforementioned bill which had been passed by the Legislature and signed by the Governor. The bill states the Legislature's intent that all children in California have health coverage by December 1, 2020 and makes several changes to eligibility processes for Medi-Cal and Healthy Families to reduce access barriers for children. Ms. Lopez summarized the changes that would take effect relevant to HFP and MC programs. She noted that DHS will have to conduct a feasibility study for system changes associated with

implementing an electronic process for transfer of application information from the counties to HFP. MRMIB will not be able to implement presumptive eligibility (for both initial applications and annual; renewals received by counties) until the FSR is completed and the system changes made. She also pointed out that the statute specifically said that its provisions do not take effect until funded by future appropriations. Chairman Allenby noted that MRMIB could administratively establish positions to implement the measure if it had sufficient funding. Dr. Crowell asked that the Board receive periodic updates on implementation of the measure. Chairman Allenby asked for public comment. There was none.

HEALTHY FAMILIES PROGRAM (HFP) UPDATE

Enrollment and Single Point of Entry (SPE) Reports

Sarah Soto-Taylor reviewed the monthly reports noting that the report indicated that 11.4% of applications received at SPE and assisted by a CAA were incomplete. Ms. Gottlieb asked whether this wasn't higher than in prior months. Janette Lopez replied that it was not significantly different from the prior month and represented only around 200 applications. Mr. Figueroa asked whether enrollment was on track compared to what had been projected in the budget. Ms. Cummings replied that staff reviews this bi-annually at the time of the introduction of the Governor's budget and the May Revision. She said staff will report on this at the January meeting when presenting on the Governor's budget.

Dr. Crowell asked if all 1,850 incomplete applications were forwarded to HFP for follow-up. Ms. Soto-Taylor stated they are a subset of the total number of applications received at SPE (6,459). Dr. Crowell thought this was a fairly substantial percentage.

Administrative Vendor Performance Report

Ms. Soto-Taylor reviewed the monthly report. Ms. Lopez informed the Board that for the first time, the report also included data on performance regarding quality and accuracy. These standards will not be contractual requirements until the November 2006 reporting period (which will be reported in January 2007) but staff will report them as performance goals until that time. According to Ms. Lopez, California has the highest requirements for quality and accuracy in the country. The Board expressed enthusiasm for the new standards. Chairman Allenby thanked the staff and MAXIMUS for developing and implementing the standards.

Ms. Soto-Taylor reminded the Board that MAXIMUS had been assessing how to ensure that a system problem occurring in June (and affecting June's performance standards) would not be repeated. MAXIMUS has purchased another server and a storage area network device, to be delivered this month that

will provide real time back-up of the application data. Staff is satisfied with this solution. Chairman Allenby asked if there were any questions or comments. There were no further questions.

Enrollment Entities/Certified Application Assistants (EE/CAA) Reimbursement

Larry Lucero provided the Board with an update application assistance reimbursements made to date. Leading into the EE reimbursement update report he stated staff was pleased to announce that the new incentive payments to Enrollment Entities provided by the budget have been implemented, retroactive to July 1, 2006. These are an additional \$ 10/successful application for using HealthEApp and an additional \$25/successful application for AER's. EEs began receiving checks that include incentive payments in September 2006 for the AERs. The October 2006 payments included the HeApps incentives payments. Mr. Lucero also reported on some changes in the report format.

Appeals/Program Review Workload Update

Ms. Lopez informed the Board that staff has cleared the back log of appeals and program reviews. She noted that staff worked many overtime hours to eliminate the backlog. She thanked the staff, Ms. Soto-Taylor who monitored and managed the workload, the contributions of other Eligibility managers and those in Administration that had worked to pay medical claims associated with eligibility decisions.

HFP Regulations to Implement 2006 Health Trailer Bill Language

Ms. Soto-Taylor presented the aforementioned regulations to the Board, specifically detailing changes made since the regulations were first aired at the September meeting. She noted that staff had not received any comments on the regulations.

Of note, since the September draft, staff has deleted language requiring that payments made by AIM women be used first to pay for two months premium for a baby's enrollment in HFP. After reviewing data on how quickly mothers register their infants into the HFP (since the implementation of AIM-linked infants), staff learned that enrollment of almost 96% of infants occurs within the first 2 months of birth. Since the Trailer Bill does not specify the collection of premiums to be a requirement, staff wants to be consistent with how it collects premiums for AIM-linked infants with other HFP enrolled children. After an AIM-linked infant is enrolled in the HFP, staff will bill the mother the initial premium payment.

Ms. Rosenthal commented that the revision date of the application form was inadvertently deleted and needs to be reinstated.

Chairman Allenby asked if there were any questions or comments. There were none. Upon a motion duly made, seconded and carried, the Board approved the regulations as modified per Ms. Rosenthal's suggestion.

Advisory Panel Update

Jack Campana, Chair of the HFP Advisory Panel, reported to the Board on the Panel's last meeting. He noted the Advisory Panel has become very active and that the panel members are extraordinarily committed. He thanked both Dr. Crowell and Ms. Gotlieb who are regular attendees for their ongoing support of meetings. Mr. Allenby noted that only two Board members are able to attend the meetings given the specifications of the Open Meetings law.

The Panel has been focusing on ways to improve mental and oral health. Much time has been spent reviewing a proposal advanced by the panel's pediatric dentist member, Dr. Morris, about authorizing use of general anesthesia by dentists in their offices. The Panel has heard several presentations by advocates of this benefit change. These looked at the value for children, particularly in rural areas, as well as the area of safety and problems that can arise. At the second quarter meeting, the panel voted to recommend that MRMIB consider adding general anesthesia as a dental benefit when certain safety conditions have been satisfied.

Chairman Allenby thanked Mr. Campana for his report. He noted that the Board had heard considerable testimony on the issue when first establishing the benefits for the program. He indicated that the Board would take the recommendation under advisement.

Mr. Campana indicated that the Panel would be focusing on mental health issues at its next meeting.

HFP Plan Model Contract Amendment and Package

Noting that Ms. Arend was away due to family illness, Ms. Cummings reviewed changes made to the plan contract amendment package since the September meeting. Ms. Arend sent the package to HFP plan partners following the meeting to provide them with an opportunity to comment. Staff took the comments into consideration when finalizing the package for today's meeting. The package will be formally sent to the plans which will then provide required information between December 8, 2006 and January 10, 2007 as detailed in the package. The package is for coverage during the benefit year beginning July 1, 2007.

2007-2008 Special Access Dental Plan Procurement

Ms. Cummings indicated that staff is recommending undertaking a special procurement to try to obtain additional dentists in underserved areas. She reviewed the procurement package, noting that it needed to be sent out to

potential plan partners immediately so that the procurement could sync with the contract amendment/rate negotiation process. She noted that the package had been sent out prior to the meeting to all existing dental plan partners and to any dental plan that had submitted a proposal in response to the last solicitation to allow them time to comment.

The special procurement will occur in two stages. In the first stage, a plan will submit information documenting the additional dental capacity it would bring to the program in shortage areas identified by the Office of Statewide Health Planning and Development. After reviewing plan submissions, staff will notify each plan whether or not the information warrants continued participation in the process. Where it does, the plan will then fill out and submit Stage 2 documents by the deadline of December 28. Ms. Cummings pointed out to the Board language in the solicitation document emphasizing that responding to the solicitation does not ensure that a plan will be selected and that it is the Board's sole discretion to determine whether to award a contract. If the Board has no objections, staff will proceed with the procurement following this meeting. Chairman Allenby asked if there were any questions or comments. Mr. Figueroa asked if a plan that brought additional dentists in shortage areas would be limited to those areas or allowed to bring in its entire service area. Ms. Cummings replied that the plan would be able to bring the entire service area. The purpose is to get additional dentists in shortage areas but it would be a challenge logistically to limit a plan to just those areas.

2006 Open Enrollment Results

Willie Sanchez reviewed a report detailing the results of the 2006 open enrollment, describing the number of subscribers who transferred plans and the top reasons given for these transfers.

Mr. Figueroa commented that the HFP open enrollment is one of the largest in the country, similar in size to those conducted by CalPers and the federal government. He noted that conducting it is a major workload for staff and expressed hope that the workload would be reduced by moving to the postcard process used by CalPERS. Ms. Cummings replied that that process would be used at the next open enrollment, but that using it does not reduce the workload for staff or the administrative vendor. Its major advantage is that it saves trees. Dr. Crowell noted the small number that respond to the survey, although it was much higher for dental plans than for health plans.

Chairman Allenby asked if there were any more questions. No further questions or comments were made.

CHILDREN'S HEALTH INITIATIVE MATCHING FUND (CHIM)

Healthy Families Buy-In Update (CCS)/Reinsurance Option

Ernesto Sanchez reminded the Board that a major barrier to implementation of the Buy-In has been plan reluctance to participate given the absence of CCS coverage for children over the CCS income limits. Staff has attempted to document what the financial risk is associated with these children, but have been unable to do so given data system limitations. Instead, staff has begun talking to reinsurers to explore whether reinsuring the risk would be cost effective and address the plans' concerns. Ms. Cummings noted that if Proposition 86 passes, this problem will be eliminated because the initiative places currently ineligible children into HFP which has a statutory exemption for the CCS income limits.

Chairman Allenby asked whether the counties have considered introducing legislation that would raise the CCS income threshold (if the Initiative doesn't pass). Ms Cummings noted that the threshold has not been raised in 25 years. Chairman Allenby asked whether staff intended for each county to purchase reinsurance for MRMIB to contract with one on behalf of all of the Buy-In counties. Mr. Sanchez replied that it would be on behalf of all the counties, although the counties would be financially responsible, not MRMIB.

Mr. Sanchez noted that the Board had received correspondence from the Children's Specialty Care Coalition urging use of the CCS program for the children with CCS conditions who are not financially eligible. He has contacted CCS to see if doing so is feasible, but the first priority is figuring out how to finance the services.

Chairman Allenby called for public comment. Erin Aaberg Givans, of the Children's Specialty Care Coalition noted that CCS is a proven system and should be used to provide specialty care to children. The Coalition also thinks that income thresholds for the program should be increased.

Mr. Figueroa asked if Ms. Aaberg-Givans thought that MRMIB could purchase CCS services for those who are not eligible under existing law. She replied that she did think so and the Coalition would be exploring the matter.

Tim Shannon, also of the Children's Specialty Care Coalition stated that the Coalition wants to continue to work with MRMIB on the issue.

Chairman Allenby asked if there were any questions or comments. There were no further questions.

ACCESS FOR INFANTS AND MOTHERS (AIM) UPDATE

Enrollment Report

Ms. Soto-Taylor presented the monthly enrollment report. Ms. Lopez then reviewed the administrative vendor performance standards, noting that these had not been reported in the past but would be from now on.

AIM Regulations to Implement 2006 Health Trailer Bill Language and State Supported Services

Ms. Soto-Taylor presented the final version of the regulations to the Board, noting the changes made since staff presented the regulations at the September meeting.

Chairman Allenby asked if there were any questions. There were no further questions. Upon a motion duly made, seconded and carried, the Board approved the AIM regulations to implement the 2006 Health Trailer Bill Language and State Supported Services as presented.

Financial Report

Glenn Hair reviewed the quarterly financial report with the Board. Chairman Allenby asked if there were any questions or comments. There were none.

MAJOR RISK MEDICAL INSURANCE (MRMIP) UPDATE

Enrollment Report

Ms. Soto-Taylor reviewed the enrollment report with the Board. In September, there were 7,496 enrollees. This is still under the program cap of 8,166. The administrative vendor offered 950 slots and so far 302 people accepted the coverage which will be effective November 1. There is no waiting list and staff anticipates enrolling individuals who will be applying. Mr. Figueroa asked what the revised enrollment cap is, given the additional \$ 4 million the Legislature provided for MRMIP. Ms. Cummings replied that the semi-annual enrollment estimate will be presented at the November meeting and the revised cap would be presented at that time.

Chairman Allenby asked if there were any questions or comments. There were no further questions.

Financial Report

Mr. Hair reviewed the quarterly fiscal report. There were no questions or comments.

Federal High Risk Pool Seed Grant

Laura Rosenthal notified the Board that CMS has awarded California a seed grant of \$150,000 to assist with costs associated with qualifying the pool for full federal funding. As of now, Congress has not acted to provide high risk pool funding after 2006, but this issue could be revisited after the election.

CMS has opined that MRMIP does not qualify for full funding because its \$75,000 annual benefit cap is not consistent with coverage available in the individual market in California. AB 1971, if enacted, would have eliminated the benefit cap and thus would have qualified MRMIP for full funding. After the legislation failed, MRMIB amended its seed grant proposal to allow for analysis of a number of issues relevant to successor legislation. Staff will keep the Board apprised of specific plans to spend the funds.

Chairman Allenby asked if there were any further questions. There were no further questions or comments. The meeting was adjourned.